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Presentation to Appropriations Committee January 18, 2013
Medicaid rates for Children's Mental Health Services to Providers

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1. Youth Homes was founded in 1971 with a grant from the Montana Board of Crime Control to assist in reducing the State Correctional Institutional population. We started with 1 group home and today have 9 group homes and also provide, foster care, adoption services for high needs children and in home mental health services. We serve youth from mental health, youth corrections, youth courts and child protection services. We also accept youth from referrals from parents. We operate throughout Western Montana with local programs in Hamilton, Missoula, Ronan, Polson, Kalispell and Helena.
2. Most of the providers for out of home and in home services are established (and mostly non-profit) to serve the poorest Montana families. Medicaid is our usual rate for all of our services in 90% of all cases and most providers have few if any private payers to balance low Medicaid rates.
3. For us to survive and serve, we must collect rates that are comparable to our costs. Decisions made by this State Legislature every two years impacts directly on the quality of the services we provide. While we also have the capacity, desire and ability to raise money, the past two decades have seen us spend more and more of that private money for basic services required by the State. Donors expect their funds to meet special needs such as facilities, activities and services that are beyond the notion of "basic" but give youth a step up, the chances to grow, dream and achieve more than they could ever have imagined... like their own kids.
4. Attached is a chart showing rates for a few services compared to the COLA during the periods of 1995 to 2013 and from 2008 to 2013. Below is a chart of some critical things we must all buy and how those process compare to rates paid by the State and increases compared to the COLA. If you follow the numbers for

therapeutic group care you can see that our funding to serve one child is \$25,000 (adjusted to COLA) less than we had in 1995! In a 6 bed group home that totals to \$150,000 each year we would need to raise to keep up with wages, expenses and just to stay even with what we could do in 1995.

5. At the last session, due to concerns over the economy and State Law requiring a balanced budget rates for all state contracted providers were returned to the level in Fiscal Year '08. This meant no increases to catch up to rates that had fallen behind and to address increasing costs we have seen in these past two years. Instead of any adjustment to current costs it was, in fact, a 2% rollback from rates at the end of Fiscal Year '11.
6. It seems, over my 36 years working for a provider serving the poorest Montanans, that the State budget is built upon costs that State Government needs to operate, including price increases for items that they need to purchase (such as gas, energy, paper and pay staff a fair wage). So State Government operations are funded and process set for these items are paid. Then providers who serve Montanans with critical services are told that our rates will have to come out of what is left. We also needed to pay for gas, energy, paper and pay our staff a fair wage. But while State Government got funded on the concept of "current law," we got our rates reduced. Not to whine too much but it feels as though the State Budget was balanced on our backs.
6. So I appreciate your concern and efforts to insure a balanced budget and glad you were successful. But now you have a surplus and determining what to spend it on. I would ask that you consider our rate rollbacks as a loan and consider paying us back before you go forward. That seems fair to me.
7. I hope it feels that way to you and agree to reinstate the rates from Fiscal '11 into the budget for the coming biennium. From there I hope we can receive reasonable and further adjustments to continue the quality staff and services we have provided for over 40 years.

Thank you for your time and the chance to share my concerns.

18-Jan-2013

	Rates compared from current FY '13 to when rolled back to FY '08						
	FY '08	COLA Adj	FY '13	Percent Inc	Lost to COLA	Amt lost/client	% behind
Therapeutic Foster Care	\$ 77.19	\$ 86.05	\$ 77.19	0%	\$ 8.86	\$ 3,232.20	-10%
Therapeutic Group Care	\$ 224.98	\$ 250.79	\$ 224.98	0%	\$ 25.81	\$ 9,420.67	-10%
Residential Psychiatric Treatment	\$ 309.84	\$ 345.39	\$ 309.84	0%	\$ 35.55	\$ 12,974.04	-10%
Case Management	\$ 12.61	\$ 14.06	\$ 12.61	0%	\$ 1.45		-10%
Outpatient Therapy	\$ 51.73	\$ 57.66	\$ 54.22	5%	\$ 3.44		-6%

Representing Montana Children's Initiative

Social Security

The Official Website of the U.S. Social Security Administration

Cost-Of-Living Adjustments

Automatic Determinations

COLA determination

SSI payment rates increase with COLA

Since 1975, Social Security general benefit increases have been cost-of-living adjustments or COLAs. The 1975-82 COLAs were effective with Social Security benefits payable for June in each of those years; thereafter COLAs have been effective with benefits payable for December.

Prior to 1975, Social Security benefit increases were set by legislation.

Social Security Cost-Of-Living Adjustments

Year	COLA	Year	COLA	Year	COLA
1975	8.0	1990	5.4	2005	4.1
1976	6.4	1991	3.7	2006	3.3
1977	5.9	1992	3.0	2007	2.3
1978	6.5	1993	2.6	2008	5.8
1979	9.9	1994	2.8	2009	0.0
1980	14.3	1995	2.6	2010	0.0
1981	11.2	1996	2.9	2011	3.6
1982	7.4	1997	2.1	2012	1.7
1983	3.5	1998	1.3		
1984	3.5	1999	2.5		
1985	3.1	2000	3.5		
1986	1.3	2001	2.6		
1987	4.2	2002	1.4		
1988	4.0	2003	2.1		
1989	4.7	2004	2.7		

^a The COLA for December 1999 was originally determined as 2.4 percent based on CPIs published by the Bureau of Labor Statistics. Pursuant to Public Law 106-554, however, this COLA is effectively now 2.5 percent.

The first COLA, for June 1975, was based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the second quarter of 1974 to the first quarter of 1975. The 1976-83 COLAs were based on increases in the CPI-W from the first quarter of the prior year to the corresponding quarter of the current year in which the COLA became effective. After 1983, COLAs have been based on increases in the CPI-W from the third quarter of the prior year to the corresponding quarter of the current year in which the COLA became effective.

SSI COLAs

COLAs for the Supplemental Security Income (SSI) program are generally the same as those for the Social Security program. However, COLAs for SSI have generally been effective for the month following the effective month of Social Security benefit increases. See SSI historical payment standards for more detail.

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